

# MANAGEMENT MEMO

## SUBJECT:

REQUIREMENTS FOR THE USE OF STRATEGICALLY  
SOURCED STATEWIDE CONTRACTS

## REFERENCES:

PCC Sections 10298 and 10308

## NUMBER:

**MM 05-11**

## DATE ISSUED:

**JULY 1, 2005**

## EXPIRES:

**UNTIL RESCINDED**

## ISSUING AGENCY:

**DEPARTMENT OF  
GENERAL SERVICES**

## Introduction

The Department of General Services, through the California Strategic Sourcing Initiative (CSSI), is entering into a series of Statewide Contracts for the procurement of goods and services. Usage of these contracts is mandatory unless otherwise specified in the User Instructions for the contract. This additionally restricts the use of other leveraged procurement agreements (LPA's) e.g., California Multiple Award Schedule (CMAS) and Master Agreements that offer the same goods and services.

This Management Memo contains the policy and procedures to be used by State agencies when purchasing these goods or services.

## Background

The CSSI uses various techniques to establish the best value for the goods and services purchased by the State of California. The CSSI Statewide Contracts are established through competition that establishes the best value contractor to provide the specific goods and services on a statewide basis, leveraging the State's volume of purchasing. In order to leverage the State's purchasing power it is critical that, for those identified goods and services strategically sourced, the State maximize its purchasing power through the CSSI contracts. If a department determines that the goods and/or services available on the CSSI Statewide Contracts will not meet the department's business need, approval to procure off contract must be obtained through an exemption process and documented in the procurement file. The User Instructions for each of the CSSI contracts that offer goods and services contain the instructions to follow to request an exemption. For each set of User Instructions there is a website link to the specific exemption process and related documents.

## STATE ADMINISTRATIVE MANUAL

**Who is Affected** All State departments that purchase goods and/or services in accordance with the State Contracting Manual (SCM) Vol. I and Vol. II.

Although all Constitutional Officers, the University of California, the California State University, the Lottery Commission, the Public Employees' Retirement System, the State Teachers' Retirement System, the State Compensation Insurance Fund, and other independent state entities are exempt from this Management Memo, they are encouraged to take all necessary actions to comply with its intent.

Local government entities are encouraged to purchase from the CSSI contracts to further maximize savings opportunities through increased volumes. However, this Management Memo does not apply to purchasing by local government entities.

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**Order of precedence** This Management Memo's order of precedence shall be applied as follows:

1. Management Memo 05-11.
  2. State Contracting Manual: Non-IT Services (Volume I) and Purchasing Authority Manual (Volume II)
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**Utilization of CSSI Contracts** Due to the rigorous competitive process under which the CSSI contracts have been awarded:

- There are no monetary threshold limits for purchases conducted under these contracts;
- Multiple offers are not required; and,
- All certified small business or disabled veteran business enterprise purchases made through these contracts are reported monthly by the contract holder and are credited to the purchasing agency.

Departments are reminded that all necessary approvals typically required from oversight agencies to authorize purchases from the respective CSSI contract must be obtained.

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## STATE ADMINISTRATIVE MANUAL

**Purchases Based on an Approved Exemption** Any purchase as a result of an approved exemption must be conducted in compliance with the department's approved delegated purchasing authority.

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**Contact** For the contracts available through the CSSI, information can be obtained at the website [www.pd.dgs.ca.gov/stratsourcing](http://www.pd.dgs.ca.gov/stratsourcing). This site will include the contact information for the contract manager assigned to the respective contract, and the specifics about the contract.

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Original SAM Management Memo signed by Ron Joseph, Director

Ron Joseph, Director  
Department of General Services